

Millennium Challenge Corporation



CAPE VERDE

Cape Verde was selected to participate in Millennium Challenge Account program in fiscal years 2004 and 2006.

General Information:

Population: 418,342

Location: Western Africa,
Group of islands in the North
Atlantic Ocean

Capital City: Praia

Relative Size: slightly
larger than Rhode Island

Economic Statistics:

GNI Per Capita: \$1,400

GDP: \$ 948.1 million

GDP Growth Rate: 5%

Jose Brito

Cape Verdean Ambassador

"The MCA is a unique and an excellent aid program which will help us as a nation to achieve our national vision of realizing a better life for all through building a more competitive and robust economy. This will go a long way to help us as a nation to continue to entrench and deepen our democracy, create a vibrant society, and ensure a better life for future generations of Cape Verdeans. It is why; we strongly believe that the MCA initiative needs to be supported by all who really want to see changes and efficiency in the development assistance."



Compact Goal

The Compact will support Cape Verde in achieving its overall national development goal of transforming its economy from aid-dependency to sustainable, private- sector led growth. MCC funds will be used to improve the country's investment climate and reform the financial sector; improve the infrastructure to support increased economic activity and provide access to markets, employment, and social services; increase agricultural productivity and raise the income of the rural population; as well as carry out some key policy reforms needed for sustained economic growth.

Expected Results

- Increase agricultural productivity on the islands of Santo Antão, Fogo, and São Nicolau by improving water management and soil conservation, strengthening agribusiness development services, and increasing access to credit and capacity of financial institutions;
- Integrate internal markets and reduce transportation costs by improving transportation networks through road and bridge infrastructure on the islands of Santiago and Santo Antão and upgrading the Port of Praia;
- Develop the private sector by reducing obstacles to private sector investment, particularly in priority sectors, and reforming the financial sector.

Update on Progress

- The Cape Verde Management Unit and MCC Resident Mission have been established, and procurement actions have begun on the Roads Activity and the Watershed Management and Agricultural Support Project.
- Compact Signing: July 4, 2005
- Entry into Force: October 17, 2005
- Initial Disbursement of \$7.5M: October 17, 2005